

## LNF & IHCIF Calculations Illustration

### - CHOCTAW (Miss. Band) in Nashville area -

#### Given Data

- 7,796 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 20% = % Expenditures on purchased services, 80% = % expenditures in-house
- 82.8% = Cost index for purchasing health care in this geographic area
- 106.3% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

#### Cost Adjustment Calculations

- \$493 per person for purchased services =  $20\% * 82.8\% * \$2,980$
- \$2,533 per person for in-house services =  $80\% * 106.3\% * \$2,980$
- \$3,027 per person total = \$493 (purchase) + \$2,533 (in-house)
- **\$2,903 per person total** adjusted for health status =  $\$3,027 * 95.9\%$
- **\$2,158 per person net cost** =  $\$2,903 - \$745$  Other resources (M&M&PI)

#### Existing Expenditures (for 7,796 users excluding wrap-around and collections)

- \$1,494 per person = local IHS allowance (excludes \$ for wrap-around)
- \$155 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,703 per person for OU users** =  $\$1,494 + \$155 + \$54$

#### LNF Calculation

- **58.7% Gross LNF** =  $\$1,703$  (expenditures) /  $\$2,903$  total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **78.9% Net LNF** =  $\$1,703 / \$2,158$  net cost ( $\$2,903 - \$745$  other)

#### IHCIF Allocation

- \$0 = \$ to raise LNF% from 78.9% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction =  $\$9,000,000$  fund /  $\$258,040,100$  needed
- **\$0 Allocation** = \$0 needed for 60% \* 3.488% IHCIF fraction

#### CHOCTAW (Miss. Band) Unmet Needs

- **\$16,827,452 Net Total Need** =  $7,796$  users \*  $\$2,158$  net cost
- **\$3,549,634 Net Unmet Need** =  $(100\% - 78.9\% \text{ LNF}) * 7,796$  users \*  $\$2,158$  net cost